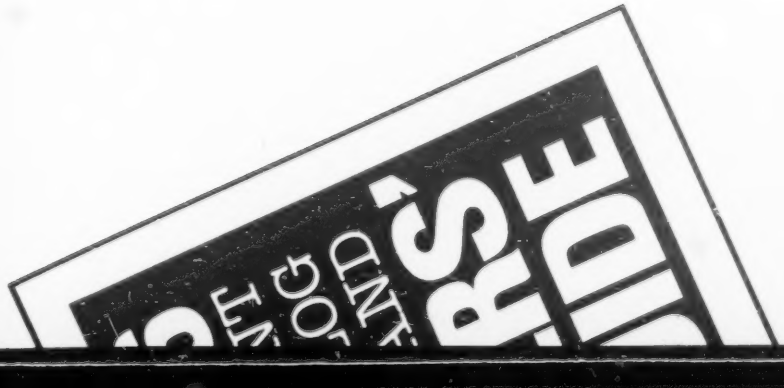
DECEMBER 1985

FOREST INDUSTRIES

LOGGING/PULPWOOD/FORESTRY/LUMBER/PANELS

1986 EQUIPMENT CATALOG AND BUYERS' GUIDE



1985 Volume 112 Number 12

DECEMBER

Special Issue

25
Equipment Catalog features new products for the industry

Products from leading suppliers are illustrated and described in this catalog. Equipment for both harvesting and processing operations is included

40
FOREST INDUSTRIES' Suppliers' Showcase

This special section promotes a range of product literature available free of charge from industry suppliers

50
1986 Buyers' Guide: a classified directory of products and services

This classified directory lists manufacturers of harvesting and processing equipment under a wide variety of category headings

69
Alphabetical listing of industry suppliers

For easy reference, the companies featured in the Buyers' Guide and Equipment Catalog are listed in alphabetical order with addresses and telephone numbers

Departments

5
For the Record

21
Letters

83
Computing for Profit

87
Industry News

92
Machinery Row

94
Newsmakers

96
Meetings

Too much paper, wood hurts industry profits

SAN FRANCISCO, CALIF.—Mills in the U.S. and Canada turned out too much lumber, plywood, pulp and paper again during the third quarter. That probably was good news for most consumers, but certainly was bad news for forest products companies.

Industry profits were weak again in the third quarter (see table). Most companies blamed their problems on weak pulp and paper markets combined with an oversupply of wood products. Lumber producers were most strident in blaming imports for many of their profit problems, but pulp producers also said imports hurt them.

Everyone blamed the U.S. dollar's strength, since that is a major reason why imports have been selling so well. ■

U.S. forest industry results

	Third quarter ($000)			
Companies	**Sales**	**Change 1985/84**	**Earnings[1]**	**Change 1985/84**
Boise Cascade	$934,230	−3.0%	$20,330[2]	−37.9%
Champion Intl.	1,330,43[2]	17.6	37,940	−5.7
Chesapeake Corp.	161,911[3]	39.8	3,422[3]	−57.0
Crown Zellerbach	788,200	−2.6	(84,600)[4]	n.m.
Georgia-Pacific	1,752,000	−0.4	58,000[5]	−28.4
GN Nekoosa	475,300	0.7	9,600	−68.5
Hammermill Paper	416,950	−0.2	5,631	−25.7
International Paper	1,100,000	−8.3	15,200[6]	−78.8
James River (7/28)	629,862	0.7	23,727[7]	6.0
Kimberly-Clark	1,015,400	12.2	62,300	18.2
Longview (7/31)	110,445	−13.3	3,795	−52.2
Louisiana-Pacific	332,400	6.3	11,400	62.9
Mead Corp.	709,500	0.2	23,600	−51.0
Pacific Lumber	65,543	−6.5	9,428	−16.8
Pope & Talbot	81,952	−0.6	2,017	n.m.
Potlatch Corp.	239,643	−3.8	11,270	0.9
Scott Paper	765,600	9.5	56,300	12.6
Southwest Forest	181,599	−10.6	(2,842)	n.m.
Stone Container	304,342	−4.4	(5,979)	n.m.
Temple-Inland	311,000	−4.0	17,500	−36.1
Union Camp	463,771	−6.8	20,150	−59.2
Westvaco	419,115	−6.0	23,166	−43.3
Weyerhaeuser	1,291,761	−33.8	38,607	−33.8
Willamette	287,210	−2.8	14,760	−27.8
Total	**15,487,435**	**0.5**	**474,030**	**−43.7**

1. Income after taxes from continuing operations, excluding most significant items in both years.
2. Includes pretax gain of $6.7 million from sale of building materials distribution unit, offset by $6-million charge related to employee separation.
3. Includes results of Wisconsin Tissue Mills and Plainwell Paper acquired July 1, 1985.
4. Loss includes aftertax charge of $106.2 million from restructuring.
5. Latest quarter is before loss of $39 million from disposal of discontinued oil and gas unit; year-earlier quarter includes $19-million pretax gain from sale of office building.
6. Latest quarter includes pretax charge of $290 million for early retirement and staff cuts.
7. Adoption of LIFO accounting increased 1985 quarter income by $4.2 million. n.m.=Not meaningful.

Supreme Court lets timber ruling stand

WASHINGTON, D.C.—Federal timber sales contracts can be enforced even if economic conditions change between time of purchase and harvest. In refusing to hear an appeal, the U.S. Supreme Court affirmed a court decision that supported enforcement of the contracts.

The decision came a month after suing timber buyers and the Forest Service tentatively agreed to settle the case. In return for dropping the case and agreeing not to sue again on the same grounds, the government agreed to give the companies four more years to cut the trees they bought.

The case, started by North Side Lumber Co. of Philomath, Ore., was joined by 111 other Northwest timber buyers. The suit stemmed from timber sales in the late 1970s and early 1980s, when speculation and inflation drove up timber prices. When markets collapsed, the companies argued they could not afford to pay the prices they had bid earlier. ■

Maxxam claims control of Pacific Lumber Co.

SAN FRANCISCO, CALIF.—Maxxam Group Inc. said owners of 60% of The Pacific Lumber Co.'s shares have agreed to sell them. This would give Maxxam control of the company and eliminate a threatened legal battle over the buyout bid.

Charles Hurwitz of Houston, Texas, heads Maxxam, which offered to pay $40 a share—$870 million—for Pacific. Palco directors accepted the offer, but dissident shareholders challenged the takeover. The shareholders asserted that the company's long-term worth far exceeds $40 a share.

A Superior Court judge in Eureka, Calif., ordered a delay in the tender offer's deadline.

But only three days later, on Nov. 11, Maxxam announced that owners of 13.1 million Palco shares had agreed to sell. Maxxam intends to buy all remaining Pacific Lumber shares.

Pacific Lumber president Gene Elam said that company directors did everything possible to provide the most value for all shareholders and to protect employees' interests. Maxxam agreed to wait at least three years before reducing any employee benefits, for example.

Among the interests protected were those of six executives. Directors hiked their severance pay before accepting the Maxxam offer. If all six lost their jobs, they would receive a combined $1.67 million in severance pay. ■

Weyco holders okay two defense measures

TACOMA, WASH.—Anyone who wants to take over Weyerhaeuser Co. will find the going tougher, thanks to two measures stockholders approved in October. One makes it harder to remove company directors; the second makes it harder to change corporate policies.

The first change creates three-year staggered terms for directors. Replacing a director who quits or is removed requires approval of remaining directors. A special shareholder meeting can be called only if directors vote to do so, instead of letting shareowners call a meeting.

The second amendment takes effect only if someone buys at least 10% of Weyerhaeuser stock. If this happens, every major corporate decision requires either approval by a majority of directors who were seated before the investor bought more than 10%, or 80% approval from shareowners. ■